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DE RUEHPF #2138/01 3390439  
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FM AMEMBASSY PHNOM PENH  
TO RUEHC/SECSTATE WASHDC PRIORITY 7675  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY  
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 PHNOM PENH 002138

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E.O. 12958: DECL: 11/27/2016

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SUBJECT: DRUG PRECURSORS AND DEFORESTATION IN CAMBODIA'S  
CARDAMOM MOUNTAINS

Classified By: Poleconoff Jennifer Spande; Reason 1.4 (b) and (d)

¶1. (SBU) SUMMARY. In addition to being home to a multitude of endangered and threatened flora and fauna, the Cardamom Mountains in southwestern Cambodia also contain aromatic trees being harvested and processed illegally to produce high quality sassafras oil, a substance used to produce methamphetamines as well as legal products. Cambodia's leading narcotics official estimates that up to 300 tons of Cambodian sassafras oil are exported to Vietnam each year. Teams of 20-30 Vietnamese and Cambodian workers produce sassafras oil in several locations within the Phnom Samkos Wildlife Sanctuary, felling trees, polluting streams, and putting pressure on local wildlife. While law enforcement efforts over the past year have resulted in impressive seizures, more needs to be done if the ecological and human cost of this traffic is to be contained. END SUMMARY.

From Trees to Drugs  
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¶2. (SBU) According to the United Nations Office on Drugs and Crime (UNODC) and the National Authority for Combating Drugs (NACD), sassafras oil from Cambodian mereach prov trees contains a very high percentage (95-99%) of safrole oil, which can be used in the production of MDMA (ecstasy) as well as in legitimate uses such as fragrances and traditional and western medicines. Wood from mereach prov is traditonally used for decorative carvings, housing, furniture, and coffins. Mereach prov is found throughout the Cardamom Mountains, an area which includes the western provinces of Pursat, Battambang, and Koh Kong. (NOTE: There is no consistent transliteration of the Khmer name of this tree, which we have also seen rendered as M'reah Prov, M'reah Prew, Marah Preu, and Meah Preah. Mereach prov apparently refers to several species of aromatic trees, but the species used in the production of sassafras oil has been identified as Dysoxylum loreiri. END NOTE.)

¶3. (SBU) Because sassafras oil is found in the roots and lower trunk of the mereach prov tree, harvesters cut or burn down the tree and then dig out the roots and stump. The roots and stump are cut into chips and steamed on trays in large vats (approximately 5-7 meters tall and 3 meters in diameter). The steam, which contains sassafras oil, travels via metal tubing into vats that are submerged in a local stream or river. The cool temperature of the submerged vat leads the sassafras vapor to condense in the vat. The production process takes between 9 and 15 hours to complete, and uses 0.7 to 2 tons of mereach prov chips to produce 20-60

liters of sassafras oil. Environmental NGOs and Ouk Kim San, the Forestry Administration official managing the Central Cardamoms Conservation Program, estimate that each camp can produce 90-150 liters of sassafras oil each day, and NACD Secretary General Lour Ramin estimates that Cambodia produces

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as much as 300 tons of sassafras oil each year.

14. (SBU) Once harvested, sassafras oil is loaded into plastic jerry cans and other containers and transported by road, often concealed in back seats and trunks of sedans. Flora and Fauna International (FFI) Advisor Ben Hammond reported that when he first started working in the Cardamoms six years ago, sassafras oil was transported openly, often in flat bed trucks. Now such transport is more secretive, and Ouk Kim San reported that smugglers are increasingly using new tactics, like creating a second "gas" tank in the car, to conceal the oil. Because the oil is heavier than both gasoline and water and therefore remains submerged below these liquids, some smugglers mix sassafras oil with these substances to disguise or lessen its distinctive smell. Lour Ramin believes that other smugglers make no effort to hide or disguise the oil, simply lying to ill-informed customs officials about what they are transporting.

15. (SBU) The price of sassafras oil jumps dramatically as it travels from forest to international border. A liter of sassafras oil garners USD 2.50 in the Cardamom forest, USD 5 in the provincial capital Pursat, and USD 50 at the Cambodian-Vietnamese border. Environmental and law enforcement sources in Cambodia believe that essentially all of the sassafras oil produced in Cambodia is exported to Vietnam. Vietnam is a leading international exporter of sassafras oil, and Vietnamese government officials have reportedly told Lour Ramin that the majority of their

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sassafras oil comes from Cambodia. Few observers had a clear sense of what happens to the oil once it reaches Vietnam, though various sources mentioned transshipment to China, Australia, Brazil, Europe, and the US, where it may be used for licit or illicit purposes, as possibilities.

#### Mobile Teams Operate in Wildlife Sanctuary

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16. (SBU) According to environmental groups, teams of roughly 20-30 people work together to harvest and process sassafras oil. These teams, which employ Cambodian laborers but are run by Vietnamese nationals, set up camp in one area for approximately 3 months before moving to a new location. Hammond indicated that Vietnamese national Ly Heng, owner of the Suon Kim Heng Company, operates the largest mereach prov factory and buys sassafras oil from smaller producers for resale in Vietnam. Hammond believes that Suon Kim Heng was granted export licenses for sassafras oil several years ago, but that these have not been renewed and the company now operates illegally.

17. (SBU) David Bradfield, FFI Advisor, said that within the Cardamom Mountains, there were two principal areas of mereach prov production, both within Phnom Samkos Wildlife Sanctuary. The first is in the northern part of Phnom Samkos, near the town of Anlong Reap, in the mountainous area on the Battambang-Pursat border (coordinates: UTM Indian Thailand Zone 48, 0270100, 1372200). Bradfield estimates that there are approximately 40 factories operating in the area. The second location is in the southern area of Phnom Samkos near the Pursat-Koh Kong border (coordinates: UTM Indian Thailand Zone 48, 0302300, 1332700). At its operating peak in 2003, Bradfield estimates up to 23 factories operated here, though successful search and destroy missions have likely reduced the number currently operating.

Deforestation in a Critical Ecosystem

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¶8. (U) Mereach prov production causes significant environmental degradation in Cambodia's Cardamom Mountains, which contain 30% of the country's forests and arguably the most extensive, pristine tract of rain forest in mainland southeast Asia. Khmer Rouge guerrillas retreated to the Cardamoms after losing power in 1979, and their presence provided an effective deterrent to exploration and exploitation by other groups. The Cardamoms are home to several endangered and threatened species, including the Asian elephant, Indochinese tiger, kouprey, pileated gibbon, and to a large population of Siamese crocodiles, which were thought to be virtually extinct in the wild.

¶9. (U) Environmental groups say they can spot mereach prov camps from the air due to patterns of deforestation near streams and rivers. In addition to the 0.7 to 2 tons of roots required to feed one vat's daily production capacity, other trees are harvested from surrounding areas to provide fuel for the fire that steams the mereach prov chips. Trees and plants not felled for sassafras oil production are affected as well. The mereach prov trees provide the upper canopy for the Cardamom's unusually wet and fertile forest. Once those trees have been destroyed, the rest of the forest, including the namesake cardamom trees, cannot survive. Villagers report that sassafras oil leaking from vats and tubing kills fish in the streams and chases crocodiles from the area. In addition to the environmental impact of the production itself, mereach prov camps often become small temporary villages, including wooden structures, eating areas, and even small karaoke bars. Building these structures and harvesting food and fuelwood for meals places additional pressure on local trees and wildlife.

¶10. (U) Wild Aid reports finding similar camps harvesting yellow vine in protected portions of the Cardamom forest. According to the UNODC, yellow vine contains berberine, an isoquinoline alkaloid used as a traditional medicine in east and southeast Asia for the treatment of stomach ailments. While its chemical structure is related to that of MDMA, experts say it is not feasible to synthesize MDMA from the substance. While it is therefore of little relevance to drug control authorities, yellow vine harvesting is nonetheless very environmentally damaging. Like sassafras oil production, harvesting yellow vine leads to stream and river

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contamination and deforestation.

Law Enforcement, NGO Efforts to End Production  
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¶11. (SBU) No comprehensive law addresses the production of sassafras oil, and even law enforcement officials remain uncertain about exactly what parts of the production cycle and export process are against the law. The 2002 Forestry Law defines mereach prov as a rare species and outlaws its "exploitation," although the use of dead or dying mereach prov trees is allowed. This law also places strict limits on the harvesting of non-timber forest products and by-products in protected areas. The 1997 Drug Control Law outlaws the possession or sale of precursor chemicals, but does not specifically address sassafras oil, the intermediate substance derived from mereach prov but not yet refined into 100% safrole oil, leading to confusion among government officials as to the legality of sassafras oil.

¶12. (SBU) In late 2005 Prime Minister Hun Sen ordered a crackdown on sassafras oil production and ordered the creation of an interministerial working group on precursor chemicals. Lour Ramin reports that government efforts to stem the flow of sassafras oil have yielded 80 production vats and roughly 22 tons (14,000 liters) of sassafras oil since late 2005. Law enforcement officials have educated 500 day laborers about the illegality of their actions and

arrested 26 factory owners and managers. (NOTE: Lour Ramin was uncertain of the judicial status of the 26 arrestees. END NOTE.) Environmental NGOs also help curb sassafras production, with Wild Aid, FFI, and Conservation International involved in USAID-funded activities, including joint forest ranger stations and patrols--which include gendarmes, officials from the Ministries of Agriculture and/or Environment, and NGO staff. Despite these apparent successes, the NACD Secretary General notes that an inadequate legal framework, ignorance among villagers and law enforcement officials about precursor production, and the high profits to be made in sassafras oil production all hamper law enforcement efforts.

¶13. (C) Several groups have alleged military involvement in mereach prov production. According to Hammond, camp owners and managers routinely give gifts or small bribes to military stationed in the area to avoid crackdowns. Wild Aid Director Suwanna Gauntlett believes that Cambodian military officers run the camps, due to their ability to operate in areas with many military checkpoints and the widespread belief that Cambodian military officers are involved with other types of illegal logging. Ouk Kim San, the Forestry Administration official managing the Central Cardamoms Conservation Program, suspects that military officers exert at least some control over the camps, noting wryly that in three military-Forestry Administration joint operations, sassafras processing workshops were found and destroyed, but the camps were always abandoned, probably due to a tip off. Lour Ramin admits that it is likely that some individual military officers are involved, but denies any wholesale military involvement.

¶14. (SBU) COMMENT. In a country already plagued by illegal logging and drug transshipment, it is no surprise that the country's forests are being exploited for narcotics production. While laudatory, government and NGO efforts to battle precursor production typically yield factories and low-level workers, rather than ring leaders. So far, this problem seems to have garnered little international law enforcement attention outside of the UNODC, but additional help will be necessary if the damages to Cambodia's forests--and to the health of would-be MDMA users--are to be limited. END COMMENT.  
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